(b) if so, the details of the assistance given during the last three years by Japan;

(c) the assistance that Government are going to receive from Japan in 2003; and

(d) in what manner Government propose to utilise that assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) There is no indication to this effect from Government of Japan. However, Government of Japan has started recently accepting new projects for official development assistance (ODA) after lifting of the sanctions in October 2001.

(b) (Amount in Yen billion)

Year	ODA Loan Disbursement
1999-2000	96.74
2000-2001	67.47
2001-2002	113.42

(c) Disbursement of approximately Yen 103 billion is expected during Financial Year 2003.

(d) The ODA assistance from Japan is utilised for the implementation of various development projects.

Permission for investing in foreign stocks

40. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government have allowed resident Indians' companies and mutual funds to invest in stocks abroad;

(b) whether it is also a fact that Government propose to allow NRIs to take out upto US$ 1 million from the sale of properties and other assets they may own in India; and

(c) if so, the details of the decisions taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Yes, Sir.

(c) The Reserve Bank of India has intimated that *vide* its circular dated 13th January, 2003, RBI has permitted the following relaxations on investments by corporates, individuals and mutual funds:

i) Corporates

Listed Indian companies are permitted to invest abroad in companies, (a) listed on a recognised stock exchange and (b) which has the shareholding of at least 10 per cent in an Indian company listed on a recognised stock exchange in India (as on 1st January of the year of the investment). Such investment shall not exceed 25 per cent of the Indian company's net worth, as on the date of latest audited balance sheet.

ii) Individuals

Resident individuals are permitted to invest in overseas companies indicated at (i) above without any monetary limit.

iii) Investment by Mutual Funds

At present, Mutual Funds are permitted to invest in ADRs/ GDRs of the Indian companies and rated debt instruments, within an overall cap of USD 500 million. It has now been decided to permit Mutual Funds to also invest in equity of overseas companies indicated at (i) above. It has also been decided to enhance the overall cap to USD 1 billion.

Further, RBI has allowed authorised dealers to allow remittance/s of assets of foreign nationals, including retired employees/ widows of Indian citizens resident outside India and assets in India acquired by Non-Resident Indians/persons of Indian Origin by way of inheritance/ legacy, upto USD 1 million, on production of an undertaking and certificate by a person making the remittance, as prescribed.

However, the existing prohibition regarding repatriation of

assets to a citizen of Pakistan, Bangladesh, Sri Lanka, China, Afghanistan, Iran, Nepal and Bhutan shall continue.

Vijay Mathur Committee on taxation of NRIs.

41. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Vijay Mathur Committee on taxation of NRI has submitted its Report;

(b) if so, the major recommendations made by the Committee;

(c) whether it is a fact that the Committee recommended to make it mandatory for NRI, who have business transactions within India to have a PAN number, and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) Some of the major recommendations made by the Committee, *inter-alia*, are:

(i) Deletion of Sections 10(8), 10(8A) and 10(8B) exempting individuals and consultants who perform duties inconnection with technical assistance programmes;

(ii) The terms 'business connection' should be amended to also mean an agency PE, a concept provided for in many of our Tax Treaties;

(iii) Foreign banks should also be allowed deduction in accordance with the purdential guidelines issued by the Reserve Bank of India;

(iv) Section 44D should be amended to apply equally to foreign companies as well as non-corporate non-residents;

(v) In the case of a non-resident carrying on business in India through a PE or a "fixed base" as understood in the relevant DTAA, deduction in respect of any expenditure incurred should be allowed in computing the income by way of "fees for technical services".